



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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October 29, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 October 29, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**FIVE-YEAR OPTION TO RENEW LEASE NO. 74513
SHERIFF'S DEPARTMENT
3235 LAKEWOOD BOULEVARD, LONG BEACH
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

The purpose of this request is to exercise a five-year option to renew a ground lease with the City of Long Beach (City) for the Sheriff's Department (Sheriff) Aero Bureau for 4.39 acres of land at the Long Beach Municipal Airport.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease renewal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board per Section 15301 of the State CEQA Guidelines (Existing Facilities).
2. Exercise the option to renew the lease for a five-year term with the City of Long Beach for a ground lease consisting of 4.39 acres located at 3235 Lakewood Boulevard, Long Beach, for the Sheriff at an annual first year rent not to exceed \$167,092. The lease cost is 100 percent net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Sheriff's Aero Bureau provides aerial reconnaissance and rescue operations throughout the

County. In 1971, the County of Los Angeles (County) initially leased 3.36 acres at the Long Beach Municipal Airport for the Sheriff's Aero Bureau operation. The original lease was for 20 years with six options to renew for additional five-year terms. During the initial lease term, the County built its own office building and hangars and refurbished the building interior in 1984. A new fuel tank farm was installed in 2002. The split-service lease was amended in June 2003 to include an additional 1.03 acres of ramp space, increasing the total leased area to 4.39 acres, which relieved crowded conditions on the ramp. The fifth term was exercised in October 2008 and expired October 13, 2013.

Approval of the proposed renewal option will extend the term of the lease for five years and will allow the Sheriff to continue occupying 4.39 acres of land at the Long Beach Airport, which includes ramp space, a fuel tank farm, parking, landscaped areas, a service hangar with office space, and a storage hangar. Additionally, approval of the option will enable the Sheriff to maintain existing operations at this location.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of process, structure, and operations to support timely delivery of customer-oriented and efficient public service. The proposed lease supports this Goal as further outlined in the Strategic Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The cost for the first year of this renewal shall not exceed \$167,092 based on the terms and conditions of the lease. The program is 100 percent net County cost. Sufficient funding for the proposed five-year lease extension is included in the Fiscal Year (FY) 2013-14 Rent Expense budget and will be charged back to the Sheriff. Attachment B is an overview of the lease changes.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed five-year option to renew provides for 4.39 acres of ground lease space. The 4.39 acre parcel consists of ramp space, a fuel tank farm, parking, and landscape areas. On the parcel are two hangars totaling 26,683 square feet and an attached office building comprised of 3,701 square feet of office space. The lease also contains the following provisions:

- The renewal commences upon Board approval and ends five years thereafter.
- Parking for the staff and visitors is available on-site.
- The Lease is a split-service lease whereby the County pays for all utilities, maintenance, and janitorial services.
- The County has the right to cancel anytime by giving 90 days prior written notice.

Staff did not conduct a search for an alternate site beyond reviewing County-owned airport facilities due to the special use and unique characteristics of the improvements associated with the requirements for the Aero Bureau operation. Attachment C shows all County-owned and leased facilities within the surrounding Los Angeles County area and there are no County-owned or leased facilities available for this operation.

The lease requires adjustment to fair market value of the leased premises by appraisal based on a

rate of return of no more than 12 percent or less than 7 percent. The proposed annual base rental rate of \$167,092 represents an 8 percent increase over the current rent and is based on an appraised market value as commissioned by the City. The rental increase with a rate of return of 8 percent is within the range provided in the lease. The lease also requires the tenant to pay the adjusted renewal option rent during the holdover period. Accordingly, a one-time rent payment for the two-week holdover period in the amount of \$763, will be payable within sixty (60) days of the new term effective upon Board approval.

The Sheriff desires to continue operations under the lease at the existing location although staff is in only 3,701 square feet of office space and the Sheriff has been approved for 9,755 square feet of office space. The special use and unique characteristics of the improvements associated with the requirements for the Aero Bureau operation necessitates the Sheriff remain at the existing location and pursue expansion at this location if viable opportunities become available, or future relocation becomes an option.

ENVIRONMENTAL DOCUMENTATION

The CEO concluded that this project is exempt from CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board per Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no disruption of services to the public as this is an exercise of an option to renew the lease term with no other changes to the terms and conditions of the lease.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012.

The Honorable Board of Supervisors

10/29/2013

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:RLR:CMM

CEM:TJS:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Sheriff

**SHERIFF'S DEPARTMENT
AERO BUREAU AT LONG BEACH AIRPORT
Asset Management Principles Compliance Form¹**

1.	Occupancy		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			x
	B	Does lease co-locate with other functions to better serve clients? ²			x
	C	Does this lease centralize business support functions?			x
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ²			x
2.	Capital				
	A	Is it a substantial net County cost (NCC) program? The lease cost for the space is 100 % NCC.	x		
	B	Is this a long term County program?	x		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		x	
	D	If no, are there any suitable County-owned facilities available?		x	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			x
	F	Is Building Description Report attached as Attachment C?	x		
	G	Was build-to-suit or capital project considered? The Sheriff desired to retain existing space based on favorable market rate and no other expansion space available in the marketplace.		x	
3.	Portfolio Management				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	x		
	B	Was the space need justified?	x		
	C	If a renewal lease, was co-location with other County departments considered?		x	
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. <u>x</u> No suitable County occupied properties in project area.			
		3. <u>x</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? The Airport Authority insisted on a split-service lease and will only pay taxes.		x	
	F	Has growth projection been considered in space request?	x		
	G	Has the Dept. of Public Works completed seismic review/approval?			x
		¹ As approved by the Board of Supervisors 11/17/98			
		² If not, why not?			

**FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE**

3235 LAKEWOOD BOULEVARD, LONG BEACH	EXISTING LEASE NO. 74513	FIVE-YEAR LEASE OPTION	CHANGE
Area (square feet)	4.39 acres	4.39 acres	None
Term	10/15/2008 – 10/14/2013 Mo-to Mo	Upon Board approval	+ 5 years
Annual Base Rent	\$148,774	\$167,092	+ \$18,318
Parking	N/A	N/A	None
Cancellation	County may cancel anytime upon 90 days prior written notice.	County may cancel anytime upon 90 days prior written notice.	None
Option to Renew	Six 5-year options	Sixth 5-year option is being exercised	No options remain
Rental Adjustment	Fair Market Value of airport space by appraisal, with rate of return not to exceed a maximum 12 percent and a minimum of 7 percent	Fair Market Value of airport space by appraisal, with rate of return not to exceed a maximum 12 percent and a minimum of 8 percent	8 percent rate of return

Sufficient funding for the proposed five-year lease extension is included in the FY 2013-14 Rent Expense budget and will be charged back to the Sheriff.

**SPACE SEARCH
IMPROVED COUNTY-OWNED AIRPORT PROPERTIES**

LACO	FACILITY NAME/ADDRESS	SQ FT GROSS	SQ FT NET		LAND AREA ACRE	SQ FT AVAILABLE
4135	BRACKETT FIELD 1615 W. McKinley Ave. La Verne 91750	433,435	393,510	OWNED	131.71	Only undeveloped land is available. Development cost too high.
0370	COMPTON AIRPORT 901 W. Alondra Blvd. Compton 90220	246,960	228,913	OWNED	74.27	None available.
X792	EL MONTE AIRPORT 4233 N. Santa Anita Ave. El Monte 91731	302,873	280,554	OWNED	49.50	Undeveloped north end available, but would require condemnation of homes in expanded flight path to meet Aero Bureau requirements.
4549	FOX AIRFIELD 4555 W. Ave. G Lancaster 93536	80,866	63,716	OWNED	512.05	Majority of undeveloped area is available. High development cost. Airfield is not centrally located nor adjacent to metro area.
X764	WHITEMAN AIRPORT – ABLE AIR OFFICE 12653 Osborne St. Pacoima 91331	486,140	479,718	OWNED	180.98	Very limited area available. Insufficient to meet Aero Bureau needs.